

Daniel P. Larsen, OSB No. 943645

Email: dlarsen@buchalter.com

BUCHALTER

A Professional Corporation

805 SW Broadway, Suite 1500

Portland, OR 97205

Telephone: 503.226.1191

Oren Bitan, *Pro Hac Vice* Admission

Email: obitan@buchalter.com

BUCHALTER, A Professional Corporation

1000 Wilshire Boulevard, Suite 1500

Los Angeles, CA 90017-1730

Telephone: 213.891.5012

Attorneys for Receiver

UNITED STATES DISTRICT COURT

DISTRICT OF OREGON

EUGENE DIVISION

DAVID P. STAPLETON, in his capacity as
COURT-APPOINTED RECEIVER for the
Receiver for the RECEIVERSHIP ENTITY,
including ZADEH KICKS, LLC dba ZADEH
KICKS, an Oregon limited liability corporation,

Plaintiff,

v.

DEADSTOCK LA, INC., a California
corporation, and ELY HALAVI, an individual
dba YEEZUS WE TRUST,

Defendants.

Case No. 6:23-cv-01977-AA

DECLARATION OF DAVID P. STAPLETON
IN SUPPORT OF RECEIVER'S MOTION
FOR REMAND

I, David P. Stapleton, declare and state:

1. I am the court-appointed receiver for the Receivership Entity, Zadeh Kicks, LLC dba Zadeh Kicks, the plaintiff in this action. I make this declaration in support of the Receiver's Motion for Remand. I have personal knowledge of the facts stated in my declaration, and I am competent to testify regarding them.

2. Zadeh Kicks LLC ("Zadeh Kicks") is a sneaker resale company that was formed as an Oregon limited liability company.

3. On or about May 19, 2022, Zadeh Kicks filed a petition in *In re Judicial Dissolution of Zadeh Kicks dba Zadeh Kicks*, Lane County Circuit Court Case No. 22CV16510 for voluntary dissolution and appointment of a receiver. Zadeh Kicks proposed me as receiver.

4. The court granted the petition, and I was appointed as receiver on May 20, 2022. One of my duties as receiver is to manage the wind-up and dissolution process of Zadeh Kicks. To support this objective, the court has given me the authority to, among other things, "to take all actions necessary to protect [Zadeh Kicks'] interests or rights to collect ant debts owed to or claims held by [Zadeh Kicks] relating to the Receivership Estate, including, if necessary, commencing any legal proceeding, arbitration or mediation, to protect such interests or recover such funds or claims, including, without limitation, collection, claim and delivery, fraudulent transfer, or breach of contract actions." Attached as "Exhibit A" is a true and correct copy of the Order Appointing Receiver.

5. As part of my duties, I and my team undertook a forensic accounting review of Zadeh Kicks' finances and established a list of "net winners."

6. Defendants Deadstock LA, Inc. and Ely Halavi, an individual doing business as Yeezus We Trust (collectively “Defendants”) were among those my team and I identified as “net winners.” During the time period between January 2020 and April 2022, the books and records of Zadeh Kicks show that Defendants received a total of \$955,687 in the form of cash and sneakers from Zadeh Kicks in excess of funds Defendants paid to Zadeh Kicks.

7. On or about April 26, 2023, I sent a letter to Defendants and other net winners, notifying them that I intended to claw-back any monies received in excess of the funds paid to Zadeh Kicks between January 2020 and April 2020. In the letter, I offered to settle the matter at a discounted rate to avoid the need for litigation. Defendants did not accept my offer.

8. I filed the first complaint against a Zadeh Kicks net winner in the Circuit Court of the State of Oregon for the County of Lane on September 22, 2023. I filed the instant complaint against Defendants on October 3, 2023. Thereafter, I filed complaints against the following net winners: No Contest, LLC, a New Jersey limited liability company (Case No. 23CV42289); Kickstopny LLC, a New York limited liability company (Case No. 23CV42279); The Keystone Market LLC, a North Carolina limited liability company (Case No. 23CV42278); Soleseriouss LLC, a New Jersey foreign limited liability company (Case No. 23CV4227); Johnny Davis, an individual (Case No. 23CV42276); Anthony Varela, an individual dba Sixteen Ten (Case No. 23CV42272); and Aden Trano, an individual (Case No. 23CV42275). Many of these cases were assigned to the court that appointed me.

9. Since being appointed receiver, I have filed periodic receivership reports with the court that appointed me. In these reports, I summarize my activities, Zadeh Kicks’ operations and assets. As of the date of this declaration, I have filed 15 reports. Attached as “Exhibit B” is a true and correct copy my most recent report, Receiver’s Report No. 15.

10. I believe the court that appointed me is in the best position to adjudicate this action. In my business judgment, it is in the best interests of the Receivership Estate for that court to hear all of the actions I have filed on Zadeh Kicks' behalf.

I HEREBY DECLARE THAT THE ABOVE STATEMENT IS TRUE TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT I UNDERSTAND IT IS MADE FOR USE AS EVIDENCE IN COURT AND IS SUBJECT TO PENALTY FOR PERJURY.

DATED this 29th day of January, 2024.



David P. Stapleton, Receiver